



HEALTH MATTERS

A MONTHLY REPORT ON THE STATUS OF THE CITY OF CARMEL EMPLOYEE HEALTH BENEFIT PLAN



July 31 Balance	\$896,122		Dec 31, 2009 Balance	\$482,534
Total Revenues	\$761,448		Jan - Aug Revenues	\$6,538,782
Employer Premiums	656,905		Jan - Aug Expenses	\$6,209,634
Employee Premiums	91,526		Aug 31, 2010 Balance	\$811,682
Other Revenues	13,017			
Total Expenses	\$845,888		YTD Gain/(Loss)	\$329,148
Week 1 Claims	184,898			
Week 2 Claims	94,164			
Week 3 Claims	151,128			
Week 4 Claims	89,425			
Week 5 Claims	124,059			
Rx Claims	120,977			
Fixed Costs—Premiums	63,341			
Fixed Costs--Fees	17,896			
Monthly Gain/(Loss)	\$(84,440)			
August 31 Balance	\$811,682			

Health Care Reform Effective Date

You may have heard that some of the PPACA (health care reform) provisions went into effect on September 23, 2010. In fact, the law goes into effect on the first plan renewal date on or after September 23, 2010. For our plan that means January 1, 2011. Information about the changes has been provided in past newsletters and will be included in your open enrollment materials.

IRS Guidance on 2011 Changes to Flexible Spending Arrangements

Under the PPACA, the cost of an over-the-counter medicine or drug cannot be reimbursed from a health FSA (flex) account unless a prescription is obtained. The change does not affect insulin, even if purchased without a prescription, or other health care expenses such as medical devices, eye glasses, contact lenses, co-pays and deductibles. The new standard applies only to purchases made on or after January 1, 2011. Following are answers to some frequently asked questions.

Q. How are the rules changing for reimbursing the cost of over-the-counter medicines and drugs from health flexible spending arrangements (health FSAs)?

A. Section 9003 of the Affordable Care Act establishes a new uniform standard for medical expenses. Effective January 1, 2011, distributions from health FSAs will be allowed to reimburse the cost of over-the-counter medicines or drugs only if they are purchased with a prescription. This new rule does not apply to reimbursements for the cost of insulin, which will continue to be permitted, even if purchased without a prescription.

Q. When will the changes become effective?

A. The changes are effective for purchases of over-the-counter medicines and drugs without a prescription after December 31, 2010. The changes do not affect purchases of over-the-counter medicines and drugs in 2010, even if they are reimbursed after December 31, 2010.

Q. How do I prove that I have purchased an over-the-counter medicine or drug with a prescription so that I can get reimbursed from my health FSA?

A. You provide the prescription and your store receipt (or copies of these documents).

Q. How do these changes affect over-the-counter medical devices and supplies?

A. The new rules do not apply to medical care items that are not medicines or drugs. Thus, equipment such as crutches, supplies such as bandages, and diagnostic devices such as blood sugar test kits purchased after December 31, 2010, will still qualify for reimbursement by a health FSA.

Q. I use health FSA funds for my co-pays and deductibles. Will I still be able to reimburse those expenses with health FSA funds after December 31, 2010?

A. Yes. Co-pays and deductibles will still be reimbursable from a health FSA after December 31, 2010.

Q. The City gives me until the end of April to submit claims for health FSA expenses incurred during the previous calendar year. What happens if I purchase over-the-counter medicines or drugs without a prescription in 2010 but do not submit the claim for those expenses until March 2011? Will they qualify for reimbursement?

A. Yes. The new restriction on health FSA reimbursements for over-the-counter medicines or drugs without a prescription applies only to purchases that are made after 2010.

Q. The City's health FSA includes a provision for a two month grace period, so that if I don't spend all of the money in my health FSA by December 31 in a given year, I can still use the amount left in my health FSA at the end of the year to reimburse expenses I incur during the first two months of the following year. If I buy over-the-counter medicines or drugs without a prescription during the two month grace period of 2011, can I still use the amount left in my health FSA at the end of 2010 to reimburse those expenses?

A. No. The change applies to purchases made on or after January 1, 2011. Thus, even if the City's plan includes the 2 month grace period provision, the cost of over-the-counter medicines and drugs purchased without a prescription during the first 2 months of 2011 will not be eligible to be reimbursed by a health FSA.

Q. Will I still be able to use my flex FSA debit card to purchase over the counter medicines or drugs after December 31, 2010?

A. No. Your 2011 debit card will be programmed so that the card can no longer be used to purchase over-the-counter medicines or drugs. You will still be able to submit claims manually if you have a prescription.

Health on the Go

Wondering what the side effects are for your new prescription? Or the symptoms of chicken pox when the school nurse calls to say your child doesn't feel well? A new National Institutes of Health (NIH) web site called Mobile MedlinePlus can help.

Mobile MedlinePlus (<http://m.medlineplus.gov>) lets you gain ready access to reliable health information that is optimized for your mobile phone.

Some experts predict that within the next five years, more people will connect to the Internet using mobile devices than with desktop or laptop computers. NIH's National Library of Medicine created Mobile MedlinePlus based on the popular MedlinePlus web site. The MedlinePlus web site provides authoritative consumer health information to over 10 million visitors per month.

The mobile version of MedlinePlus includes summaries for over 800 diseases, wellness topics, the latest health news, an illustrated medical encyclopedia and information on prescription and over-the-counter medications. You can use the site to get tips on healthy food choices when grocery shopping, or select an over-the-counter cold medicine at the drug store. Or you can learn about safe drinking water when you're traveling abroad.

If you access the Internet with mobile devices, bookmark Mobile MedlinePlus. It puts reliable health information at your fingertips.